

The following is a brief summary of significant changes in the Property Owners' Association Act which became effective on July 1, 2002:

Section 55-509

- The following was **added**: "Capital components" means those items, whether or not a part of the common area, for which the association has the obligation for repair, replacement or restoration and for which the board of directors determines funding is necessary.

Section 55-511 (C)

- The following was **added**: obtained by the seller in accordance with this section.
- The following was **added**: or delivered with the consent of the purchaser by electronic means and a receipt obtained;
- The following was **added**: or his agent;
- The following was **added**: The association may also send the resale certificate by electronic means with the consent of the seller and the purchaser.

Section 55-512 (A)

- The following was **added**: or electronically

Section 55-512 (A)(5)

- The following was **deleted**: A
and replaced with the following: The current reserve study report or a summary thereof,

Section 55-512 (A) (14)

- The following was **added**: 14. A copy of the fully completed one-page cover sheet developed by the Real Estate Board pursuant to 54.1-2105.1; and
- **NOTE**: The old Section 55-512 (A)(14) was renumbered. It is now Section 55-512 (A)(15).

Section 55-512 (B)

- The following was **added**: The association may also collect from the purchaser the actual costs incurred of any mailing of delivery requested by the purchaser pursuant to this subsection.

Section 55-512 (C)

- The following was **added**: , except that the association, upon mutual agreement with the seller, may collect for actual costs incurred, in addition to any fee charged pursuant to this subsection (i) a rush fee, not to exceed twenty-five dollars, for furnishing the resale certificate within three business days from the actual receipt of the request, (ii) the actual cost of any mailing or delivery requested by the seller pursuant to this subsection, and (iii) and actual cost incurred at the request and with the consent of the purchaser. Neither the association nor its management agent, if any, shall require cash or certified funds unless the lot owner is delinquent in any payments due to the association in excess

of thirty days or if a check of the lot owner made payable to the association was returned for insufficient funds within the last six months.

Section 55-512 (E)

- The following was **added**: The settlement agent, as defined in 6.1-2.20, when transmitting funds to the association or otherwise upon request, shall provide the association with (i) the name of the seller, (ii) the name and address of the purchaser, (iii) the address of the subject property, (iv) the date of the settlement, and (v) a brief explanation of the application of any funds transmitted. Providing a copy of the HUD-1 settlement statement, unless otherwise prohibited, shall satisfy these requirements.

Section 55-513 (B)

- The following was **deleted**: three
and replaced with the following: seven

Section 55-514.1

- The following was **added**:
55-514.1. Reserves for capital components.
A. Except to the extent otherwise provided in the declaration and unless the declaration imposes more stringent requirements, the board of directors shall:
 1. Conduct at least once every five years a study to determine the necessity and amount of reserves required to repair, replace and restore the capital components;
 2. Review the results of that study at least annually to determine if reserves are sufficient; and
 3. Make any adjustments the board of directors deem necessary to maintain reserves, as appropriate.
B. To the extent that the reserve study conducted in accordance with this section indicates a need to budget for reserves, the association budget shall include, without limitation:
 1. The current estimated replacement cost, estimated remaining life and estimated useful life of the capital components;
 2. As of the beginning of the fiscal year for which the budget is prepared, the current amount of accumulated cash reserves set aside, to repair, replace or restore capital components and the amount of the expected contribution to the reserve fund for that year; and
 3. A general statement describing the procedures used for the estimation and accumulation of cash reserves pursuant to this section and the extent to which the association is funding its reserve obligations consistent with the study currently in effect.